

AMENDED IN SENATE JUNE 8, 2006

AMENDED IN SENATE MAY 9, 2006

AMENDED IN SENATE APRIL 6, 2006

AMENDED IN ASSEMBLY MAY 9, 2005

AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1012

Introduced by Assembly Member Nation
(Coauthors: Assembly Members Koretz, Laird, and Pavley)

February 22, 2005

An act to add Article 7.1 (commencing with Section ~~43885~~ 43885) to Chapter 4 of Part 5 of Division 26 of the Health and Safety Code, relating to vehicular air pollution control.

LEGISLATIVE COUNSEL'S DIGEST

AB 1012, as amended, Nation. Vehicular air pollution control: clean alternative fuels ~~for motor vehicles~~.

(1) Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law requires the state board to establish, by regulation, various standards for gasoline and motor vehicle fuel.

Existing law requires that, not later than June 30, 2007, the State Energy Resources Conservation and Development Commission, in

partnership with the state board, and in consultation with specified state agencies, develop and adopt a state plan to increase the use of alternative fuels, as defined.

This bill would require the state board, by January 1, 2008, to develop and adopt regulations that would become operative no later than January 1, 2010, to increase, *as specified*, the use of clean alternative fuels, ~~as defined, for motor~~ vehicles. *The bill would require the state board to submit a report to the Legislature on the progress the state has made in increasing the use of alternative fuels, reducing the state's dependence on imported petroleum and petroleum fuels, and any improvements in public health and the environment attributable to the use of clean alternative fuels, as specified.*

Existing law generally provides that a violation of various laws, rules, and regulations, relating to air pollution is a crime.

Because the bill would require the state board to adopt regulations the violation of which would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 7.1 (commencing with Section 43885) is
2 added to Chapter 4 of Part 5 of Division 26 of the Health and
3 Safety Code, to read:

4
5 Article 7.7.1. Alternative Fuels for Motor Vehicles

6
7 43885. The Legislature finds and declares all of the
8 following:

9 (a) The production, marketing, and use of petroleum fuels in
10 the state causes significant degradation of public health and
11 environmental quality due to the release of air pollution,
12 including greenhouse gas emissions, and water pollutants.

1 ***(b) Transportation accounts for nearly half of California's***
2 ***total energy use. Petroleum fuels account for more than 90***
3 ***percent of California's transportation fuel use.***

4 ***(c) Consumption of nonpetroleum fuels in California has***
5 ***stagnated at less than 10 percent.***

6 ***(d) Demand for transportation fuel has increased by nearly 50***
7 ***percent during the last 20 years.***

8 ***(e) California's crude oil production has declined by more***
9 ***than 30 percent since 1986 and by nearly 20 percent since 1998.***

10 ***(f) California's refineries currently import nearly 60 percent***
11 ***of their petroleum. California's crude oil imports in 2004 were***
12 ***nearly 400 million barrels and, in the absence of any new state***
13 ***policy initiatives, would increase to more than 450 million***
14 ***barrels by 2015 and more than 500 million barrels by 2025.***

15 ***(g) California's refineries provide for the transportation fuel***
16 ***needs of Nevada, Arizona, Oregon, and the State of Baja***
17 ***California, and fuel demand is growing in these regions.***

18 ***(h) In the face of this increasing demand, California's***
19 ***refineries are not able to supply the state's increasing need for***
20 ***petroleum fuels. This will increase the state's dependence on***
21 ***imported fuels.***

22 ***(i) California's petroleum import and refinery infrastructure***
23 ***faces significant challenges including the inherent conflict***
24 ***between the need to expand import, refining, and storage***
25 ***facilities to meet transportation fuel demands and the***
26 ***environmental and social concerns of local communities affected***
27 ***by these proposed expansions.***

28 ***(j) Efficiency and renewable resources are top priorities in***
29 ***California's electricity loading order policy, and the state should***
30 ***extend these priorities to California's transportation sector by***
31 ***reducing demand for petroleum fuels by increasing the use of***
32 ***alternative fuels.***

33 ***(k) The state must vigorously pursue strategies to increase***
34 ***transportation efficiency, including increasing the number of***
35 ***hybrid electric and plug-in hybrid electric vehicles, and***
36 ***accelerating the development and availability of alternative fuels***
37 ***in order that the full potential of any air quality and petroleum***
38 ***replacement benefits can be realized.***

1 *(l) The state must encourage the emerging nonpetroleum fuel*
2 *industry as suppliers of components for blended fuels and as*
3 *developers of completely nonpetroleum fuels and fueling systems.*

4 ~~(b) Clean, alternative fuels have~~

5 *(m) The use of clean, alternative fuels has the potential to*
6 *considerably reduce these impacts and are important strategies*
7 *the impacts associated with the use of petroleum fuels and is an*
8 *important strategy for the state to attain its economic and air and*
9 *water quality goals.*

10 ~~(e)–~~

11 *(n) Research, development, and commercialization of*
12 *alternative fuels in the state have the potential to strengthen the*
13 *state's economy by providing job growth and helping to reduce*
14 *the state's vulnerability to petroleum price volatility. Three*
15 *activities will also maintain the tradition of California leading*
16 *the way in the utilization of innovative motor vehicle*
17 *technologies at the cutting edge of implementation.*

18 ~~(d)–~~

19 *(o) Dependence on foreign oil represents a threat to the*
20 *long-term security and economic stability of California and the*
21 *nation.*

22 ~~(e)–~~

23 *(p) Reducing petroleum use is technically feasible and*
24 *economically justifiable, because the State Energy Resources*
25 *Conservation and Development Commission and the state board*
26 *have previously recommended, in their August 2003 report to the*
27 *Legislature, "Reducing California's Petroleum Dependency,"*
28 *that the state adopt a goal of 20 percent nonpetroleum fuel use by*
29 *2020, and 30 percent use by 2030.*

30 *(q) Increasing the use of alternative fuels is one of the*
31 *technologically feasible and economically justifiable strategies*
32 *that can help to reduce the state's use of petroleum.*

33 *(r) A major challenge for increasing the use of alterative fuels*
34 *in California is both the lack of an integrated alternative fuel*
35 *infrastructure sufficient to provide reliable fuel supplies to*
36 *California consumers, and an insufficient number of alternative*
37 *fuel vehicles necessary to facilitate the development of a healthy*
38 *and robust alternative fuels market in the state.*

39 43886. This article shall be known, and may be cited, as the
40 Foreign Oil Independence Act of 2006.

1 43887. (a) For purposes of this ~~article~~, ~~“clean article~~:

2 (1) (A) *“Clean alternative fuel” means any fuel used as the*
3 *certification fuel in a low-emission vehicle, other than primary*
4 *gasoline or diesel fuel, used in exhaust emission-certification*
5 *testing pursuant to the state board’s Exhaust Emission Standards*
6 *and Test Procedures for 2004 and subsequent Model Passenger*
7 *Cars, Light-Duty Trucks, and Medium Duty Vehicles, as*
8 *incorporated by reference in Section 1961 of Title 13 of the*
9 *California Code of Regulations that maintains or improves upon*
10 *the Exhaust Emissions Standards and Test Procedures, as of*
11 *January 1, 2006.*

12 (B) *“Clean alternative fuel” includes petroleum fuel blended*
13 *with nonpetroleum constituents derived from renewable*
14 *resources and that meets both of the following requirements:*

15 (i) *Maintains or improves upon the emissions reductions and*
16 *air quality benefits achieved by the California Phase 2*
17 *Reformulated Gasoline Program as of January 1, 1999,*
18 *including emissions reductions for all pollutants and precursors*
19 *identified in the State Implementation Plan for ozone, and*
20 *emissions of potency weighted toxics compounds and particulate*
21 *matter.*

22 (ii) *Maintains or improves upon the emissions reductions and*
23 *air quality benefits achieved by the California diesel fuel*
24 *regulations in Title 13 of the California Code of Regulations.*

25 (2) *“Clean alternative vehicle” means any new passenger*
26 *vehicle or light duty truck capable of running on a clean*
27 *alternative fuel. Clean alternative vehicles include, but are not*
28 *limited to, the following:*

29 (A) *Electric hybrid vehicles.*

30 (B) *Plug-in electric hybrid vehicles with a minimum of 20*
31 *miles all electric range.*

32 (C) *Flexible fuel vehicles (FFVs).*

33 (D) *Compressed natural gas (CNG) vehicles.*

34 (E) *Liquid propane gas (LPG) vehicles.*

35 (F) *Hydrogen fuel cell vehicles (HFCVs).*

36 ~~(b) “Clean alternative fuel” includes ethanol blends containing~~
37 ~~at least 85 percent ethanol by volume that meet the requirements~~
38 ~~of subdivision (a).~~

1 (e) ~~“Clean alternative fuel” includes biodiesel fuel containing~~
2 ~~20 percent ethanol by volume that meets the requirements of~~
3 ~~subdivision (a).~~

4 (d) ~~“Clean alternative vehicles” includes electric and plug-in~~
5 ~~hybrid vehicles with a minimum 20 mile all-electric range.~~

6 43888. (a) ~~By January 1, 2008, the state board shall develop~~
7 ~~and adopt regulations that shall become operative not later than~~
8 ~~January 1, 2010, to increase the use of clean alternative fuels for~~
9 ~~motor vehicles, that do all of the following:~~

10 (1) ~~Ensure that the total societal benefits exceed the total~~
11 ~~societal costs.~~

12 (2) ~~Consider the technological feasibility of the regulations.~~

13 (3) ~~Ensure that there is no net increase in emissions of~~
14 ~~greenhouse gases, toxic air contaminants, criteria air pollutants,~~
15 ~~water pollutants, or any other substances that are known to~~
16 ~~damage human health.~~

17 (b) ~~The regulations adopted pursuant to subdivision (a) shall~~
18 ~~do all of the following:~~

19 (1) ~~Increase, at a minimum and to the extent feasible, the use~~
20 ~~of clean alternative fuels for motor vehicles to achieve both of~~
21 ~~the following:~~

22 (A) ~~By January 1, 2011, percent of 25 new passenger vehicles~~
23 ~~and light duty trucks offered for sale in California shall be~~
24 ~~capable of operating on clean alternative fuels.~~

25 (B) ~~By January 1, 2020, all new passenger vehicles and light~~
26 ~~duty trucks offered for sale in California shall be capable of~~
27 ~~operating on clean alternative fuels.~~

28 (2) ~~Include compliance options for eligible clean alternative~~
29 ~~fuels and vehicles that take into account their relative societal~~
30 ~~benefits, including all of the following:~~

31 (A) ~~Reduction in criteria pollutants.~~

32 (B) ~~Reduction in air toxics.~~

33 (C) ~~Reduction in climate change emissions, including carbon~~
34 ~~dioxide, methane, nitrous oxide, hydrofluorocarbons,~~
35 ~~perfluorocarbons, and sulfur hexafluoride.~~

36 (D) ~~Reduction in petroleum use.~~

37 (E) ~~Likelihood that the vehicle will actually use non-petroleum~~
38 ~~fuels.~~

39 (F) ~~Use of advanced vehicle technologies.~~

40 (G) ~~Near-term fueling infrastructure availability.~~

1 ~~(H) Use of technologies that provide a technological bridge to~~
2 ~~zero-emission technologies that utilize renewable fuels.~~

3 43888. (a) *The state board shall develop, and by January 1,*
4 *2008, adopt, regulations that shall become operative no later*
5 *than January 1, 2010, that require both of the following:*

6 *(1) That by January 1, 2011, 25 percent of new passenger*
7 *vehicles and light duty trucks sold in California are clean*
8 *alternative vehicles.*

9 *(2) That by January 1, 2020, all new passenger vehicles and*
10 *light duty trucks sold in California are clean alternative vehicles.*

11 *(b) In developing these regulations, the state board shall do*
12 *all of the following:*

13 *(1) Consider the technological feasibility of the regulations.*

14 *(2) Develop and enforce compliance options for eligible clean*
15 *alternative vehicles.*

16 (3) Ensure, pursuant to Chapter 8 (commencing with Section
17 2300) of Division 3 of Title 13 of the California Code of
18 Regulations, that a clean alternative fuel is made available
19 statewide at retail outlets whenever the state board determines
20 that the required number of motor vehicles capable of using that
21 fuel has been reached.

22 (c) The regulations adopted pursuant to this section shall apply
23 only to a motor vehicle manufactured after December 31, 2010.

24 (d) *No later than January 1, 2014, and every four years*
25 *thereafter, the state board shall submit a report to the*
26 *Legislature, produced in partnership with the State Energy*
27 *Resources Conservation and Development Commission, and in*
28 *consultation with the State Water Resources Control Board, the*
29 *Department of Food and Agriculture, and other relevant state*
30 *agencies, detailing an assessment of the progress the state has*
31 *made in increasing the use of alternative fuels, reducing the*
32 *state's dependence on imported petroleum and petroleum fuels,*
33 *and any improvements in public health and the environment*
34 *attributable to the use of clean alternative fuels. The assessment*
35 *shall take into account Section 43866.*

36 SEC. 2. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the

- 1 penalty for a crime or infraction, within the meaning of Section
- 2 17556 of the Government Code, or changes the definition of a
- 3 crime within the meaning of Section 6 of Article XIII B of the
- 4 California Constitution.

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